

**Amendments to the Claims:**

This listing of claims will replace all prior versions and listings of claims in the application:

Claims 1-20 (Cancelled without prejudice or disclaimer)

21. (New) Card reader apparatus for reading and validating information encoded on an identification card, said apparatus comprising:

(a) a local housing terminal having a display, and also having a data input unit including an optical reader for reading a first type of identification card having cardholder identity information encoded in bar code symbols, said data input unit further including a credit card reader for reading a second type of identification card having cardholder identity information encoded on a magnetic stripe or a smart card;

(b) a processor system for receiving signals from said data input unit, said processor system comprising:

an I/O bus;

a memory; and

a control circuit connected to said I/O bus and said memory for decoding said signals received from said data input unit in accordance with predetermined control operation parameters in order to recognize said first or second type of identification cards, and for comparing said identity information with correlated cardholder information stored in an external non-volatile database.

22. (New) The card reader apparatus of claim 21, wherein said credit card reader includes a touch screen signature capture component.

23. (New) The card reader apparatus of claim 21, wherein said local housing terminal is at least partially portable.

24. (New) The card reader apparatus of claim 21, wherein said local housing terminal includes a non-portable stand.

25. (New) The card reader apparatus of claim 21, wherein said display includes prompt messages for a user.

26. (New) The card reader apparatus of claim 21, wherein said display includes informational messages for a user.

27. (New) The card reader apparatus of claim 21, wherein said card type is determined automatically when an identification card is present in a field of view of said optical reader or said credit card reader.

28. (New) The card reader apparatus of claim 21, which further comprises a lookup table for storing said predetermined control operation parameters based on the card type detected by the data input unit.

29. (New) The card reader apparatus of claim 22, wherein said lookup table comprises control parameters comprising one or more of the following: data location on card, type of signal decoding algorithm, required data on card, signature verification, photograph verification, bar code verification, magnetic stripe verification, smart card verification.

30. (New) System for validating information stored or displayed on an identification card associated with a cardholder, comprising:

(a) an integrated card reader apparatus for detecting, decoding and validating cardholder information on the identification card, including a housing having one or more data input units capable of detecting and reading different types of information pertaining to a cardholder of a valid identification card formatted as encoded data stored or displayed on one or more types of identification cards, and further including a display for giving user prompts and for displaying transactional information;

(b) a processor system including an I/O bus, a memory, and a control circuit for receiving and decoding signals from said data input unit in accordance with predetermined

control operation parameters correlated with said one or more types of identification cards and with a particular cardholder;

(c) an external database accessible to said processor system in order for said control circuit to compare cardholder information encoded on said one or more types of identification cards with correlated cardholder information stored in said external database; and

(d) wherein said integrated card reader apparatus includes an optical reader for detecting and reading bar code symbols formatted on a first type of identification card, and a credit card reader for detecting and reading digital data formatted on a second type of identification card.

31. (New) The system of claim 30, wherein said integrated card reader apparatus further comprises one or more of the following data input readers: OCR reader, magnetic stripe reader, 1D and 2D bar code readers, RF tag reader, smart card reader, photograph reader, signature reader, image symbol reader.

32. (New) The system of claim 30, which includes multiple card readers located at different locations having access to said external database.

33. (New) The system of claim 32, wherein said multiple card readers have access to said external database via one or more of the following: internet, wireless, Ethernet network, wired.

34. (New) The system of claim 30, wherein said cardholder information comprises name, address, or other related name field data parsed from the encoded data on said one or more types of identification cards for comparison with correlated cardholder information stored in said external database.

35. (New) A method of detecting, decoding and validating information stored or displayed on different types of identification cards presented at a transaction terminal, said apparatus comprising:

(a) determining which type of identification card is presented at one or more data input terminals by a user, including a bar code type of identification card and a smart card type of identification card;

(b) detecting and reading from the user's identification card selected data parsed from cardholder information stored or displayed in given encoded formats on the identification card;

(c) transmitting signals from the one or more data input terminals to a processor system through an I/O bus in order for said signals to be processed and decoded by a control circuit in accordance with predetermined control operation parameters;

(d) comparing decoded information with correlated cardholder information stored in an external non-volatile database memory as part of a validation routine; and

(e) sending response signals back to a display monitor located at said one or more data input terminals confirming validation status.

36. (New) The method of claim 35, wherein said validation routine includes having a user activate a touch screen signature capture component.

37. (New) The method of claim 35, which further comprises automatically detecting and reading the bar code type of identification card.

38. (New) The method of claim 35, which further comprises automatically detecting and reading the smart card type of identification card.

39. (New) The method of claim 35, which further comprises providing user prompts on the display monitor in order to confirm which type of card is being presented at a transaction terminal, and then determining the appropriate operational parameters for the transaction based on the type of card indicated.

40. (New) A system for processing information encoded on an identification card, said system comprising:

(a) a local transaction terminal having data input apparatus capable of reading information from a cardholder identification card, said transaction terminal including a display monitor for displaying selected transactional information, a first card reader for detecting and reading data formatted in a first type of identification card, and a second card reader for detecting and reading data formatted in a second type of identification card;

(b) an external database connected with said display monitor and said first card reader through an I/O interface, said external database having non-volatile memory for storing identifying information correlated with individual cardholders; and

(c) a processor module having a control circuit for processing data signals from said first card reader and from said second card reader in order to verify the validity of said first type of identification card, and to make a comparison match with identifying information stored in said external database.

41. (New) The system of claim 40, wherein said first card reader is an optical reader for detecting and reading bar code symbols formatted on said first type of identification card.

42. (New) The system of claim 40, wherein said second card reader is a credit card reader for detecting and reading digital data encoded on second type of identification card.

43. (New) The system of claim 42, wherein said second card reader detects and reads digital data encoded on a magnetic stripe card or a smart card.

44. (New) The system of claim 40, wherein said display monitor provides a card-type prompt to a user, and also displays transactional information to the user.

45. (New) The system of claim 40, wherein said first card reader can automatically detect and read the first type of identification card.

46. (New) The system of claim 40, wherein said second card reader can automatically detect and read the second type of identification card.

47. (New) The system of claim 40, which further comprises a touch screen signature capture module.

48. (New) A card reader for processing a card having encoded thereon, in decodable form, information identifying a card holder of said card, said card reader comprising:

- (a) a housing;
- (b) a display disposed on said housing;
- (c) a control circuit;
- (d) a memory in communication with said control circuit; and
- (e) a card reading unit incorporated in said housing reading said information of said card that encodes information identifying a card holder of said card, said card reading unit being coupled to said control circuit,
- (f) wherein said card reader is configured to sense a level of degradation of said card, and
- (g) wherein said card reader is further configured to display indicia on said display in a manner that varies depending upon a determined level of degradation of said card.

49. (New) The card reader of claim 48, wherein said card reading unit includes a bar code reader.

50. (New) The card reader of claim 48, wherein said card reading unit includes an imaging assembly

51. (New) The card reader of claim 48, wherein card reader includes a tray for holding said card.

52. (New) The card reader of claim 48, wherein said memory includes a lookup table correlating card type with operating parameters of said reader, wherein said control circuit reads data of said lookup table so that operating parameters of said reader vary depending upon card type of said card.

53. (New) The card reader of claim 48, wherein said card reading unit is provided by an imaging assembly, and wherein said card reader is configured to sense a level of degradation of said card by processing of image data.

54. (New) The card reader of claim 48, wherein said card reading unit is provided by a bar code reader, wherein said card reader is configured to determine a level of degradation of said card by determining a level of error correction of a bar code symbol.

55. (New) The card reader of claim 48, wherein said card reader includes a slot for receiving a card.

56. (New) The card reader of claim 48, wherein said housing is a hand held housing.

57. (New) The card reader of claim 48, wherein said control circuit and said memory are disposed within said housing.